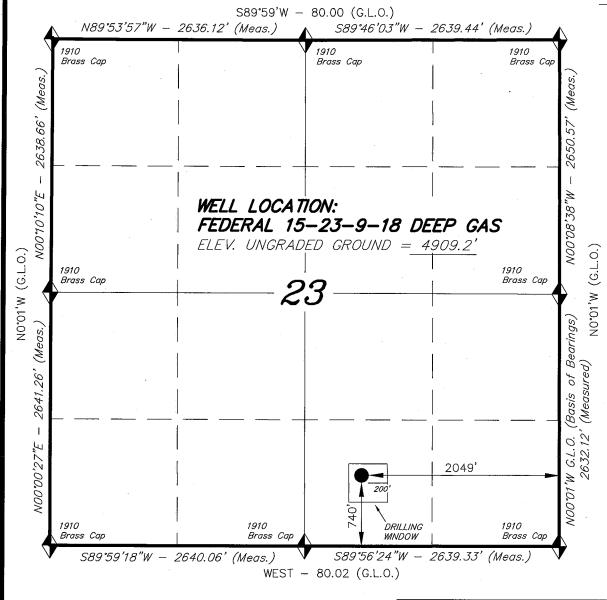
Form 3160-3 (August 2007)					OMB 1	APPROV No. 1004-01 July 31, 20	137		
	DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT						5. Lease Serial No. UTU-67549		
APPLICATION FOR PERMIT TO					6. If Indian, Allote NA	e or Trib	e Name		
1a. Type of work: DRILL REENTER					7 If Unit or CA Ag	reement, l	Vame and No.		
1b. Type of Well: Oil Well Gas Well Other	ple Zone	8. Lease Name and Federal 15-2							
Name of Operator Newfield Production Company					9. API Well No.	3-047	40401		
3a. Address Route 3 Box 3630, Myton UT 84052		10. Field and Pool, or Exploratory Eight Mile Flat							
4. Location of Well (Report location clearly and in accordance with an At surface SW/SE 740' FSL 2049' FEL 597461		requiren 4	nents.*) 10.611282		11. Sec., T. R. M. or I Sec. 23, T9S R18		urvey or Area		
The state of the s	47		109.85808	2					
 Distance in miles and direction from nearest town or post office* Approximately 22.7 miles southeast of Myton, Utah 	· · · · · · · · · · · · · · · · · · ·				12. County or Parish Uintah		13. State UT		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	location to nearest Approx. 580 t/ise, NA t/unit property or lease line, ft.		acres in lease 0.00	* *	g Unit dedicated to this O Acres	well			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.		Propose 15,1	-		IA Bond No. on file VYB000493				
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4909' GL	2.2.	Approxi	mate date work will star	₁* ∞61	Estimated duration One of the control of t				
			chments						
The following, completed in accordance with the requirements of Onshor	e Oil a	and Gas	Order No.1, must be at	tached to this	s form:				
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System) SUPO must be filed with the appropriate Forest Service Office). 	Lands	the	Item 20 above). 5. Operator certific	ation	s unless covered by an	J	`		
25. Signature Varrelie Rongin			(Printed/Typed) ie Crozier		Date 10/9/08				
Regulatory Technician									
Approved by (Signature)		Name	(Printed/Typed)		Date				
Title		Office				 			
Application approval does not warrant or certify that the applicant holds conduct operations thereon. Conditions of approval, if any, are attached.	legal	or equit	able title to those right	s in the subj	ect lease which would e	entitle the	applicant to		
Fitle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a cristates any false, fictitious or fraudulent statements or representations as to	ime fo	r any pe natter w	erson knowingly and within its jurisdiction.	illfully to ma	ake to any department of	or agency	of the United		
(Continued on page 2)					*(Inst	ruction	s on page 2)		
Út	ah	Divis	by the sion of						

Federal Approval of this Action is Necessary

RECEIVED
OCT 2 1 2008
DIV. OF OIL, GAS & MINING

T9S, R18E, S.L.B.&M.

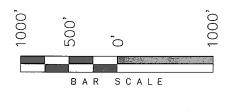


♦ = SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (UTELAND BUTTE) FEDERAL 15-23-9-18 DEEP GAS (Surface Location) NAD 83 LATITUDE = 40°00'40.18" LONGITUDE = 109°51'31.43"

NEWFIELD PRODUCTION COMPANY

WELL LOCATION, FEDERAL 15-23-9-18 DEEP GAS, LOCATED AS SHOWN IN THE SW 1/4 SE 1/4 OF SECTION 23, T9S, R18E, S.L.B.&M. UINTAH COUNTY, UTAH.



THIS IS TO CERTIFY THAT THE ABOVE PERT WAS PREPARED FROM FIELD NOTES OF ACTURE SURVEYS MADE BY ME OR UNDER ANY SUPERVISION ON THAT THE SAME ARE TRUE AND FORRECT TO THE BEST OF MY KNOWLEDGE AND FELIE NO.189377

RECISTER D LAND SURVEYOR RECISTRATION ON STATE OF STATE O

TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078 (435) 781-2501

DATE SURVEYED: 12-28-07	SURVEYED BY: C.M.
DATE DRAWN: 01-11-08	DRAWN BY: F.T.M.
REVISED:	SCALE: 1" = 1000'

NEWFIELD PRODUCTION COMPANY FEDERAL 15-23-9-18 SW/SE SECTION 23, T9S, R18E UINTAH COUNTY, UTAH

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. <u>ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:</u>

Wasatch	5,489'
Mesaverde	9,653'
Castlegate	11,896'
Spring Canyon	12,828'
Mancos	12,936'
TD	15,150'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Wasatch, Mesaverde, Mancos (Gas)

5,489' - TD

Fresh water may be encountered, but would not be expected below about 600'. All water shows and water bearing geologic units shall be reported to the geologic and engineering staff of the Vernal Office prior to running the next string of casing or before plugging orders are requested. All water shows must be reported within one (1) business day after being encountered.

All usable (<10,000 PPM TDS) water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth and adequately protected. This information shall be reported to the Vernal Office.

Detected water flows shall be sampled, analyzed, and reported to the geologic & engineering staff of the Vernal Office. The office may request additional water samples for further analysis. Usage of the State of Utah form *Report of Water Encountered* is acceptable, but not required.

The following information is requested for water shows and samples where applicable:

Location & Sampled Interval Date Sampled Flow Rate **Temperature** Hardness pΗ Water Classification (State of Utah) Dissolved Calcium (Ca) (mg/l) Dissolved Iron (Fe) (ug/l) Dissolved Sodium (Na) (mg/l) Dissolved Magnesium (Mg) (mg/l) Dissolved Carbonate (CO₃) (mg/l) Dissolved Bicarbonate (NaHCO₃) (mg/l) Dissolved Chloride (Cl) (mg/l) Dissolved Sulfate (SO₄) (mg/l) Dissolved Total Solids (TDS) (mg/l)

4. PROPOSED CASING PROGRAM

a. Casing Design

Description	1	nterval	Weight	Grade	Caustina	Pore	MW	Frac		Design Facto	rs
	Тор	Btm	(lb/ft)	Giade	Coupling	Press @ Shoe	@ Shoe	Grad @ Shoe	Burst	Collapse	Tension
Conductor 13-3/8"	0'	200'	54.5	J-55	STC						-
Surface 8-5/8"	0'	4,000'	32.0	J-55	STC	8.33	8.33	13.0	1.75	1.99	2.91
Prod 4-1/2"	0'	15,150'	15.1	P-110	LTC	11.0	11.5	N/A	2.39	1.96	1.77

Assumptions:

- 1) Surface casing MASP = (frac gradient + 1.0 ppg) gas gradient
- 2) Prod casing MASP (production mode) = reservoir pressure gas gradient
- 3) All collapse calculations assume fully evacuated casing = mud weight gas gradient
- 4) All tension calculations assume air weight

All casing shall be new or, if used, inspected and tested. Used casing shall meet or exceed API standards for new casing.

All casing strings shall have a minimum of 1 (one) centralizer on each of the bottom three (3) joints.

b. Cement Design

b. Centent Des	1511					
Job	Fill	Description	Sacks	ОН	Weight	Yjeld
		Description	ft ³	Excess	(ppg)	(ft ³ /sk) 1.17 3.26
Conductor	200'	Class G + 3% CaCl2	181	30%		4 47
Conductor	200	Class G + 376 CaCl2	211	30%		1.17
Surface Casing	3.500'	Prem Lite II + 3% KCI + 2%	576	30%	11.0	2.00
Lead	3,500	bentonite 1878	1878			3.20
Surface Casing	500'	Class G + 2% CaCl2	229	30%	15.8	1.17
Tail	500	Class G + 276 CaCl2	2% CaCi2 268	30%		1,17
Prod Casing	4.900'	Prem Lite II + 3% KCI + 2%	445	30%	44.0	3.26
Lead	4,900	bentonite	1451	30%	11.0	3.20
Prod Casing	6.750'	50/50 Poz Class G + 2%	1612	30%	14.2	1 24
Tail	0,750	bentonite	1999	30%	14.3	1.24

Note: Actual volume pumped will be 15% over caliper log.

A 12-1/4" hole will be drilled for the 8-5/8" surface casing. A 7-7/8" hole will be drilled for the 4-1/2" production casing.

Waiting On Cement: A minimum of four (4) hours shall elapse prior to attempting any pressure testing of the BOP equipment which would subject the surface casing cement to pressure, and a minimum of six (6) hours shall elapse before drilling out of the wiper plug, cement, or shoe is begun. WOC time shall be recorded in the Driller's Log. Compressive Strength shall be a minimum of 500 psi prior to drilling out.

The Vernal BLM Office shall be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

The 8-5/8" surface casing shall in all cases be cemented back to surface. In the event that during the primary surface cementing operation the cement does not circulate to surface, or if the cement level should fall back more than 8 feet from surface, then a remedial surface cementing operation shall be performed to insure adequate isolation and stabilization of the surface casing.

The production casing cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals.

As a minimum, usable water zones shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc., shall be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or to 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action shall be taken.

A Form 3160-5, "Sundry Notices and Reports on Wells" shall be filed with the Vernal Office Manager within 30 days after the work is completed. This report must include the following information:

Setting of each string of casing showing the size, grade, weight of casing set, depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of the cementing tools used, casing test method and results, and the date of the work done. Spud date will be shown on the first reports submitted.

5. <u>MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:</u>

A 10,000 psi WP hydraulic BOP stack consisting of two ram preventers (double or two singles) will be used to drill below the surface casing. A 5,000 psi WP annular preventer will also be installed.

Connections - All components on the stack and choke and kill lines shall have either flanged, studded, clamp hub or equivalent proprietary connections except control line outlets and pressure gauges.

Annular Preventer - The annular shall be rated to a minimum 5000 psi WP, and shall be installed at the top of the stack. A valve rated to full annular WP shall be mounted on the closing side using XX heavy fittings.

Rams and Position - The lower cavity shall contain pipe rams (master ram) to fit the upper section of the drill pipe in use. Casing rams are not required. The upper cavity shall contain blind rams for a 2 ram stack. A means shall be available to mechanically lock the rams closed.

BOP Side Outlets - The choke and kill lines outlets shall be a minimum 2 inches nominal and can be either in the BOP body between the rams or in a spool placed between the rams. Two gate valves rated to full BOP WP shall be installed on both outlets. The outside choke line valve shall be hydraulically operated.

Choke and Kill Lines - The lines shall be a minimum 2 inches nominal, made of seamless steel, seamless steel with ChiksanTM joints, or armored fire resistant hose rated to required BOP WP. The choke line shall be as straight as possible, and securely anchored. All turns shall be 90 degrees and "targeted." When hoses are used, they shall have a rated test pressure of at least 1.5 times the required BOP WP.

Secondary Kill Outlet - One outlet located below the lower rams either on the BOP stack or on the wellhead shall be fitted with two valves, a needle valve with adapter and pressure gauge, all rated to wellhead WP or greater. This outlet is not to be used in normal operations.

Closing Methods - At least three means of operating all the preventers shall be provided, consisting of any combination of the following:

- a. An air and/or electrically operated hydraulic pump(s) capable of closing one ram preventer in 30 seconds.
- b. An accumulator capable of closing all preventers and opening the hydraulic choke line valve, without requiring a recharge.
- c. Manual method with closing handles and/or wheels to be located in an unobstructed area, away from the wellhead, or additional equipment per item "a" and item "b" to provide full redundancy to method.
- d. Bottled nitrogen or other back-up storage system to equal accumulator capacity, manifolded to by-pass the accumulator and close the BOP directly.

Hydraulic Closing Unit - The closing unit shall be equipped with:

- a. A control manifold with a control valve for each preventer and hydraulically operated valve; a regulator for the annular preventer; and interconnected steel piping. Each blowout preventer control valve should be turned to open position during drilling operations.
- Control lines to BOPs of seamless steel, seamless steel lines with Chiksan joints, or fire resistant steel armored hose.
- A remote control panel from which each preventer and hydraulic valve can be operated. If the
 remote panel becomes inoperable, it shall not interfere with the operation of the main closing
 unit

Location - For land locations, the hydraulic closing unit shall be located in an unobstructed area outside the substructure at least 50 feet from the wellhead and the remote panel shall be located near the driller's position. For offshore installations, the location of the closing unit and remote panel shall be such that one is located near the driller position and the other is located away from the well area and is accessible from a logical evacuation route.

Choke Manifold – The choke manifold will be rated at full working pressure of the BOP stack. The manifold shall be located at least 5 feet from the BOP stack, outside the substructure.

Connections - All components of the manifold shall be equipped with flanged, studded, clamped hub or equivalent proprietary connections (gauge connections exempted).

Flow Wings - Three flow wings shall be provided, capable of transmitting well returns through conduits that are a minimum 2 inches nominal. Two wings shall be equipped with chokes and one gate valve upstream of each choke; one gate valve ahead of the discharge manifold; and one valve

downstream of each choke; at least one choke shall be adjustable. A gate valve shall be installed directly upstream of the cross if single valves are installed upstream of the chokes. One wing with one gate valve capable of transmitting well returns directly to the discharge manifold. The chokes, the valve(s) controlling the unchoked discharge wing, and all equipment upstream of these items shall be rated to required BOP WP.

Discharge Manifold - A discharge manifold (buffer tank), capable of diverting well returns overboard or to the blowdown/reserve pit; to the mud gas separator; and to the shaker tank is required. Lead-filled bull plugs (or equivalent erosion resistant components) shall be installed in the discharge manifold directly opposite the choked wings.

Pressure Monitoring - A means of monitoring the inlet pressure of the choke manifold shall be provided. The capability to isolate this outlet shall be provided.

Mud Gas Separator - An atmospheric or low pressure separating vessel for handling gas cut returns shall be provided. It shall be equipped with gas vent lines to discharge gas at least 150 feet from the rig in downwind direction. Venting above the crown is an acceptable alternative.

Mud System Monitoring - The rig shall be equipped with stroke counters for each pump; continuous recording pit level indicator and totalizer with audible alarm to monitor volume of all active pits; and a continuous recording mud return indicator with audible alarm.

Drillstring Control Devices - An upper and lower kelly valve, drillstring safety valve including correct closing handle, and an inside BOP shall be provided. The safety valve and inside BOP shall have connections or crossovers to fit all tubulars with OD to allow adequate clearance for running in the hole. All drillstring valves shall be rated to the required BOP WP.

Auxiliary Equipment - A kelly saver sub with casing protector larger than tool joints at top of drillstring (for kelly equipped rigs); a wear bushing or wear flange to protect the seal area of the wellhead while drilling; and a plug or cup type BOP test tool shall be provided.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 10M system, and individual components shall be operable as designed.

Function test of the BOP equipment shall be made daily. All required BOP tests and/or drills shall be recorded in the Driller's report.

Chart recorders will be used for all pressure tests. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to BLM representatives upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2 regarding air or gas shall be adhered to. If a mist system is being utilized, the requirement for a deduster shall be waived.

6. <u>TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:</u>

From surface to 200' an air/mist or fresh water system will be used. From 200' to 4000' will be drilled with fresh water with max fluid density of 8.4 ppg. From 4000' to TD, fresh water or a fresh water-based mud system will be utilized. This fresh water system will typically contain Total Dissolved Solids (TDS) of less than 3000 PPM. Anticipated maximum mud weight is 11.5 lbs/gal. As necessary to control formation fluids or pressure, the system will be weighted with the addition of bentonite gel and barite.

No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh aquifers.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

7. AUXILIARY SAFETY EQUIPMENT TO BE USED:

None unless dictated by unanticipated well conditions.

8. <u>TESTING, LOGGING AND CORING PROGRAMS:</u>

a. Logging Program:

(the log types run may change at the discretion of the geologist)

FDC/CNL/GR/DIL:

TD - 4.000

CBL:

A cement bond log will be run from TD to the top of cement behind the production casing. A field copy will be submitted to the Vernal BLM Office.

b. Cores: As deem

As deemed necessary.

c. Drill Stem Tests: No DSTs are planned.

Drill stem tests, if they are run, will adhere to the following requirements: Initial opening of the drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the Authorized Officer (AO). However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released but tripping shall not begin before daylight, unless prior approval is obtained from the AO. Closed chamber DSTs may be performed day or night.

Some means of reverse circulation shall be provided in case of flow to the surface showing evidence of hydrocarbons.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

If a DST is performed, all engines within 100 feet of the wellbore that are required to be operational during the test shall have spark arresters or water-cooled exhausts.

9. ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:

No abnormal temperatures and/or pressures are anticipated in the well. Maximum anticipated bottomhole pressure will be approximately equal total depth in feet multiplied by a 0.60 psi/foot gradient.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

a. Drilling Activity

Anticipated Commencement Date:

Drilling Days: Completion Days: Upon approval of the site specific APD.

Approximately 40 days. Approximately 12 - 20 days.

b. Notification of Operations

The Vernal BLM office will be notified at least 24 hours prior to the commencement of spudding the well (to be followed with a Sundry Notice, Form 3160-5), of initiating pressure tests of the blowout preventer and related equipment, and running casing and cementing of all casing strings. Notification will be made during regular work hours (7:45 a.m.-4:30 p.m., Monday - Friday except holidays).

<u>Immediate Report</u>: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the appropriate regulations, Onshore Orders, or BLM policy.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in suspended status without prior approval from the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given to the BLM before resumption of operations.

Daily drilling and completion reports shall be submitted to the Vernal BLM Office on a weekly basis.

Whether the well is completed as a dry hole or a producer, the "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer (AO).

A completion rig will be used for completion operations after the wells are stimulated to run the production tubing. All conditions of this approved plan will be applicable during all operations conducted with the completion rig.

Operator shall report production data to the MMS pursuant to 30 CFR 216.5 using form MMS/3160. In accordance with Onshore Oil and Gas Order No. 1, a well will be reported on form 3160-6, "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM Office.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever occurs

first; and for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is measured through permanent metering facilities, whichever occurs first.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by written communication not later than 5 days following the date when the well is placed on production.

Pursuant to Onshore Order No. 7, with the approval of the AO, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During this period, an application for approval of the permanent disposal method must be submitted to the AO.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not to exceed 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the AO and approval received for any venting/flaring of gas beyond the initial 30 days or authorized test period.

A schematic facilities diagram, as required by 43 CFR 3162.7-5(b.9.d), shall be submitted to the Vernal BLM Office within 60 days of installation or first production, whichever occurs first. All site security regulations, as specified in Onshore Oil & Gas Order No. 3, shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5(b.4).

Well abandonment operations shall not be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment", Form 3160-5, will be filed with the Authorized Officer within 30 days following completion of the well for abandonment. This report will indicate placement of the plugs and current status of the surface restoration. Final Abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO, or the appropriate surface managing agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with the State and local laws, to the extent to which they are applicable, to operations on Federal or Indian lands.

NEWFIELD PRODUCTION COMPANY FEDERAL 15-23-9-18 SW/SE SECTION 23, T9S, R18E UINTAH COUNTY, UTAH

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Newfield Production Company well location site Federal 15-23-9-18 located in the SW 1/4 SE 1/4 Section 23, T9S, R18E, Uintah County, Utah:

Proceed southwesterly out of Myton, Utah along Highway 40 - 1.4 miles \pm to the junction of this highway and UT State Hwy 53; proceed southeasterly along Hwy 53 - 14.8 miles \pm to it's junction with an existing dirt road to the east; proceed easterly -2.9 miles \pm to it's junction with an existing road to the southeast; proceed southeasterly -3.1 miles \pm to it's junction with the beginning of the proposed access road; proceed in a southwesterly direction along the proposed access road $-2,410'\pm$ to the proposed well location.

2. PLANNED ACCESS ROAD

See Topographic Map "B" for the location of the proposed access road.

3. LOCATION OF EXISTING WELLS

Refer to Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

There are no existing facilities that will be used by this well.

It is anticipated that this well will be a producing oil well.

Upon construction of a tank battery, the well pad will be surrounded by a dike of sufficient capacity to contain at minimum 110% of the largest tank volume within the facility battery.

Tank batteries will be built to State specifications.

All permanent (on site for six (6) months or longer) structures, constructed or installed (including pumping units), will be painted Carlsbad Canyon. All facilities will be painted within six months of installation

5. LOCATION AND TYPE OF WATER SUPPLY

Newfield Production will transport water by truck for drilling purposes from the following water sources:

Johnson Water District Water Right: 43-7478

Neil Moon Pond

Water Right: 43-11787

Maurice Harvey Pond Water Right: 47-1358

Newfield Collector Well

Water Right: 41-3530 (A30414DV, contracted with the Duchesne County Conservancy District).

There will be no water well drilled at this site.

6. SOURCE OF CONSTRUCTION MATERIALS

All construction material for this location shall be borrowed material accumulated during construction of the location site and access road.

A mineral material application is not required for this location.

7. <u>METHODS FOR HANDLING WASTE DISPOSAL</u>

A small reserve pit (90' x 40' x 8' deep, or less) will be constructed from native soil and clay materials. The reserve pit will receive the processed drill cutting (wet sand, shale & rock) removed from the wellbore. Any drilling fluids, which do accumulate in the pit as a result of shale-shaker carryover, cleaning of the sand trap, etc., will be promptly reclaimed. All drilling fluids will be fresh water based, typically containing Total Dissolved Solids of less than 3000 PPM. No potassium chloride, chromates, trash, debris, nor any other substance deemed hazardous will be placed in this pit. Therefore, it is proposed that no synthetic liner be required in the reserve pit. However, if upon constructing the pit there is insufficient fine clay and silt present, a liner will be used for the purpose of reducing water loss through percolation.

Newfield requests approval that a flare pit not be constructed or utilized on this location.

A portable toilet will be provided for human waste.

A trash basket will be provided for garbage (trash) and hauled away to an approved disposal site at the completion of the drilling activities.

Water Disposal

Immediately upon first production, all produced water will be confined to a steel storage tank. If the production water meets quality guidelines, it is transported to the Ashley, Monument Butte, Jonah, and Beluga water injection facilities by company or contract trucks. Subsequently, the produced water is injected into approved Class II wells to enhance Newfield's secondary recovery project.

Water not meeting quality criteria, is disposed at Newfield's Pariette #4 disposal well (Sec. 7, T9S R19E), State of Utah approved surface disposal facilities, or Federally approved surface disposal facilities.

8. <u>ANCILLARY FACILITIES</u>

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. <u>WELL SITE LAYOUT</u>

See attached Location Layout Diagram.

Fencing Requirements

All pits will be fenced according to the following minimum standards:

- a) A 39-inch net wire shall be used with at least one strand of barbed wire on top of the net.
- b) The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.
- c) Corner posts shall be centered and/or braced in such a manner to keep tight at all times
- d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.
- e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three (3) sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Existing fences to be crossed by the access road will be braced and tied off before cutting so as to prevent slacking in the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and upon completion of construction the fence shall be repaired to BLM specifications.

10. PLANS FOR RESTORATION OF SURFACE:

a) Producing Location

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, material, trash and junk not required for production.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximated natural contours. Weather permitting, the reserve pit will be reclaimed within one hundred twenty (120) days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed.

b) Dry Hole Abandoned Location

At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the State of Utah will attach the appropriate surface rehabilitation conditions of approval.

11. <u>SURFACE OWNERSHIP</u> - Bureau Of Land Management (Proposed location and access roads leading to).

12. OTHER ADDITIONAL INFORMATION

The Archaeological Resource Survey and Paleontological Resource Survey for this area are attached. MOAC Report #03-156, 4/2/04. Paleontological Resource Survey prepared by, Wade E. Miller, 10/6/03. See attached report cover pages, Exhibit "D".

Newfield Production Company requests a 1700' ROW be granted in Lease UTU-74406 and 700' of disturbed area be granted in Lease UTU-67549 to allow for construction of the planned access road. Refer to Topographic Map "B". A permanent width of 30' and a running surface of 18' is proposed for the planned access road. The construction phase of the planned access road will last approximately (5) days. The planned access road will be an 18' crown road (9' either side of

the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%. There will be no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road. There are no fences encountered along this proposed road. There will be no new gates or cattle guards required. All construction material for this access road will be borrowed material accumulated during construction of the access road.

Newfield Production Company requests a 1700' ROW be granted in Lease UTU-74406 and 700' of disturbed area be granted in Lease UTU-67549 to allow for construction of the proposed surface gas lines. It is proposed that the ROW and disturbed area will temporarily be 50' wide to allow for construction of a 10" or smaller gas gathering line, and a 3" poly fuel gas line, with a permanent width of 30' upon completion of the proposed gas lines. The construction phase of the proposed gas lines will last approximately (5) days. Both lines will tie in to the existing pipeline infrastructure. Refer to Topographic Map "C."

Newfield Production Company requests a 1700' ROW be granted in Lease UTU-74406 and 700' of disturbed area be granted in Lease UTU-67549 to allow for construction of the proposed water lines. It is proposed that the ROW and disturbed area will temporarily be 50' wide to allow for construction of a buried 3" steel water injection line and a buried 3" poly water return line and 30' wide upon completion of the proposed water lines. **Refer to Topographic Map "C."** For a ROW plan of development, please refer to the Monument Butte Field SOP. In the event that the proposed well is converted to a water injection well, a separate injection permit will be applied for through the proper agencies.

- a) Newfield Production Company is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Newfield is to immediately stop work that might further disturb such materials and contact the Authorized Officer.
- b) Newfield Production will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. On State administered land it is required that a Pesticide Use Proposal shall be submitted and given approval prior to the application of herbicides or other possible hazardous chemicals.
- c) Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

Additional Surface Stipulations

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations, Onshore Oil and Gas Orders, the approved plan of operations and any applicable Notice to Lessees. A copy of these conditions will be furnished to the field representative to ensure compliance.

Hazardous Material Declaration

Newfield Production Company guarantees that during the drilling and completion of the Federal 15-23-9-18, Newfield will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986. Newfield also guarantees that during the drilling and completion of the Federal 15-23-9-18. Newfield will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

A complete copy of the approved APD, if applicable, shall be on location during the construction of the location and drilling activities.

Newfield Production Company or a contractor employed by Newfield Production shall contact the State office at (801) 722-3417, 48 hours prior to construction activities.

Threatened, Endangered, And Other Sensitive Species

Mountain Plover: If new construction or surface disturbing activities are scheduled to occur between May 15 and June 15, detailed surveys of the area within 0.5 mile of the proposed location and within 300 feet of proposed access routes must be conducted to detect the presence of mountain plovers. All surveys must be conducted in accordance with the survey protocols outlined in the most recent USFWS Survey Protocol. Surveys must be completed prior to initiating new construction or surface disturbing activities. No new construction or surface disturbing activities will be allowed between May 15 and June 15 within a 0.5 mile radius of any documented mountain plover nest site.

Reserve Pit Liner

A 16 mil liner with felt is required.

Location and Reserve Pit Reclamation

The following seed mixture will be used on the topsoil stockpile, to the recontoured surface of the reserve pit, and for final reclamation: (All poundages are in pure live seed)

Squirrell Tail	Elymus Elymoides	6 lbs/acre
Siberian Wheatgrass	Agropyron Fragile	2 lbs/acre
Gardner Saltbush	Atriplex Gardneri	1 lbs/acre
Shadscale	Atriplex Confertifolia	1 lbs/acre
Fourwing Saltbush	Atriplex Canescens	1 lbs/acre
Scarlet Globemallow	Sphaeralcea Conccinea	0.20 lbs/acre
Forage Kochia	Kochia Prostrata	0.20 lbs/acre

Details of the On-Site Inspection

The proposed Federal 15-23-9-18 was on-sited on 5/6/08. The following were present; Dave Allred (Newfield Production), Kevan Stevens (Newfield Production), Michael Cutler (Bureau of Land Management), Dave Gordon (Bureau of Land Management), and James Herford (Bureau of Land Management). Weather conditions were clear and ground cover was 100% open.

LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Representative

Name:

Dave Allred

Address:

Route #3 Box 3630

Myton, UT 84052

Telephone:

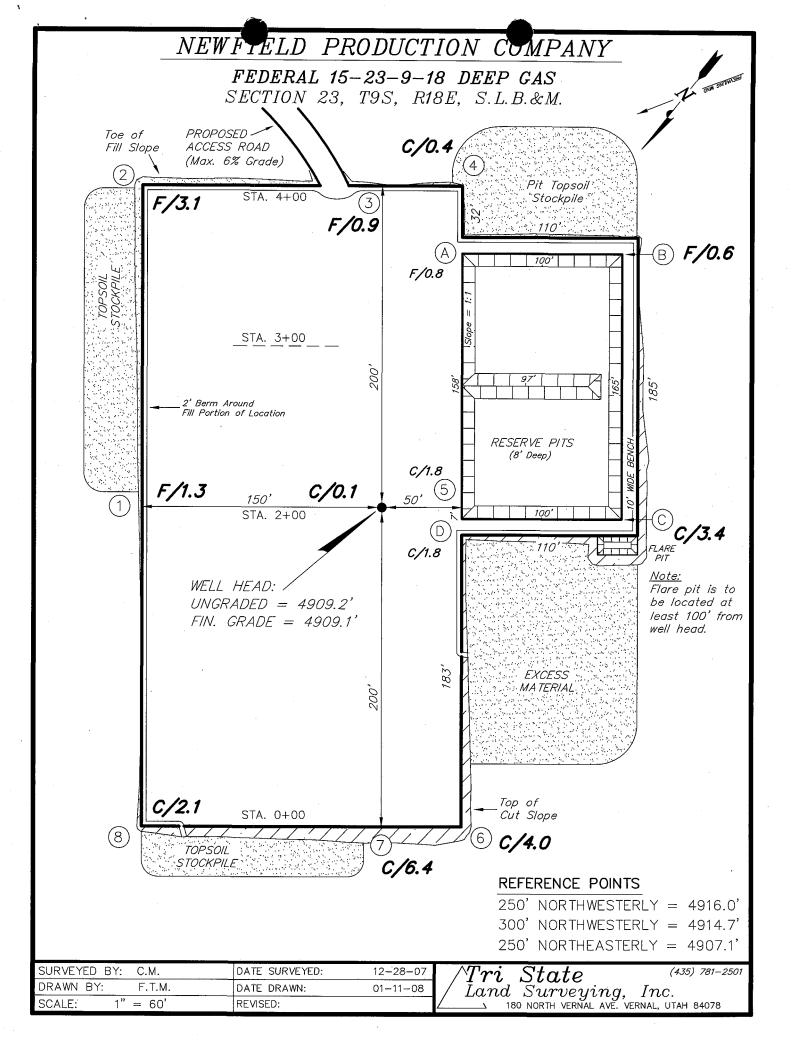
(435) 646-3721

Certification

Please be advised that NEWFIELD PRODUCTION COMPANY is considered to be the operator of well #15-23-9-18 SW/SE Section 23, Township 9S, Range 18E: Lease UTU-67549 Uintah County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by, Federal Bond #WYB000493.

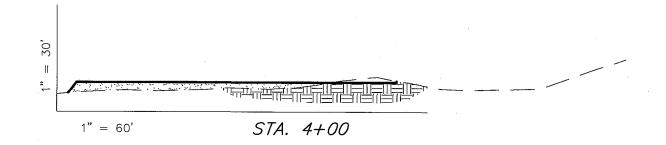
I hereby certify that the proposed drill site and access route have been inspected, an	d I
am familiar with the conditions which currently exist; that the statements made in this plan are	true
and correct to the best of my knowledge; and that the work associated with the operations	
proposed here will be performed by Newfield Production Company and its contractors and	
subcontractors in conformity with this plan and the terms and conditions under which it is	
approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a fals	se .
statement.	

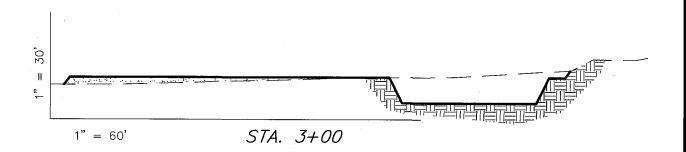
Mandie Crozier
Regulatory Specialist
Newfield Production Company

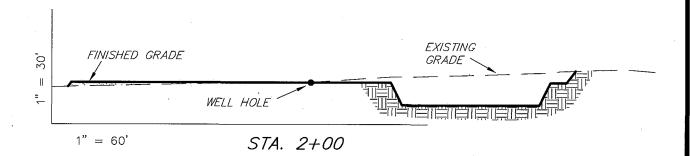


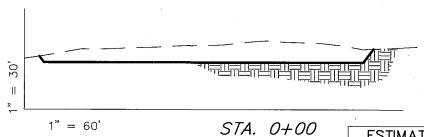
NEWFIELD PRODUCTION COMPANY CROSS SECTIONS

FEDERAL 15-23-9-18 DEEP GAS









57A. U+0

ESTIMATED EARTHWORK QUANTITIES (No Shrink or swell adjustments have been used) (Expressed in Cubic Yards) ITEM CUT FILL 6" TOPSOIL EXCESS

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	2,700	2,700	Topsoil is	0
PIT	4,100	0	in Pad Cut	4,100
TOTALS	6,800	2,700	1,970	4,100

NOTE: UNLESS OTHERWISE NOTED ALL CUT/FILL SLOPES ARE AT 1.5:1

SURVEYED BY:	C.M.	DATE SURVEYED:	12-28-07
DRAWN BY:	F.T.M.	DATE DRAWN:	01-11-08
SCALE: 1	" = 60'	REVISED:	

igg/ Tri~State (435) 781–2501 Land~Surveying,~Inc. 180 North vernal ave. Vernal, Utah 84078

NEWFIELD PRODUCTION COMPANY TYPICAL RIG LAYOUT FEDERAL 15-23-9-18 DEEP GAS PROPOSED ACCESS ROAD (Max. 6% Grade) 110' 100' STORAGE TANK FUEL FUEL TOOLS POWER TOILET TANKS RESERVE PITS PUMP (8' Deep) MUD RIG 150' 50 DOG HOUSE FLARE PIT PIPE RACKS DATA

SURVEYED BY:	C.M.	DATE SURVEYED:	12-28-07	
DRAWN BY:	F.T.M.	DATE DRAWN:	01-11-08	L
SCALE: 1"	= 60'	REVISED:		L

/Tri~State (435) 781–2501 Land~Surveying,~Inc. 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

Newfield Production Company Proposed Site Facility Diagram

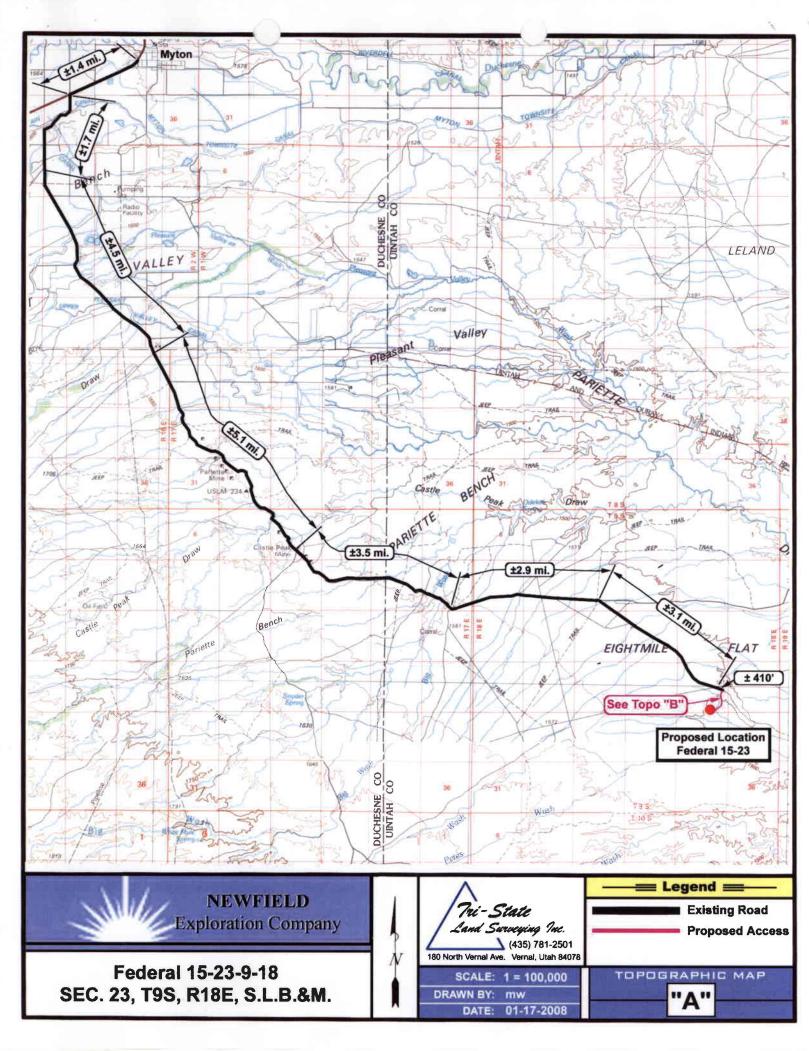
Federal 15-23-9-18

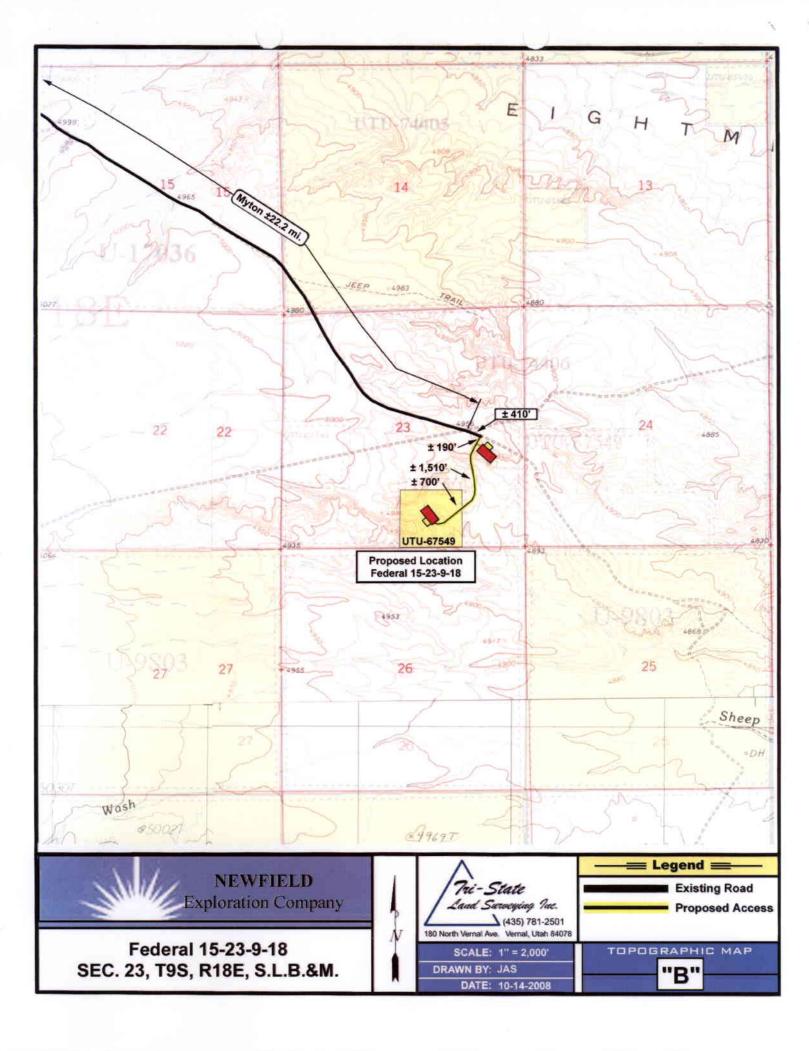
SW/SE Sec. 23, T9S, R18E

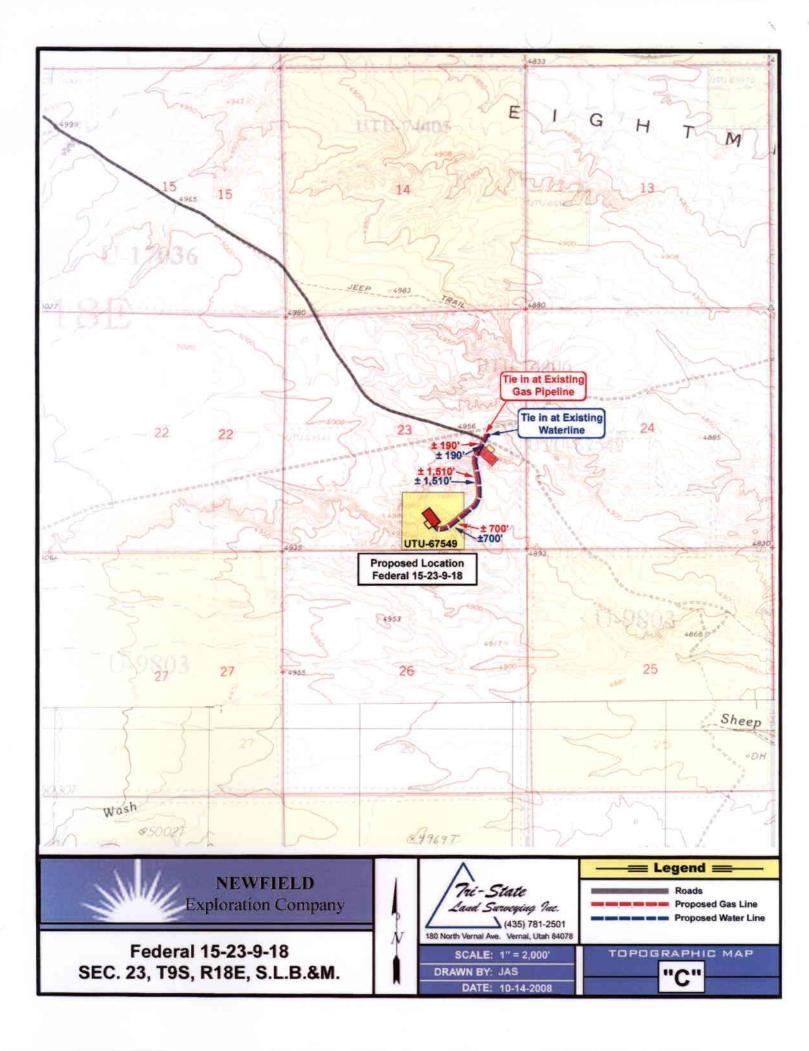
Uintah County, Utah

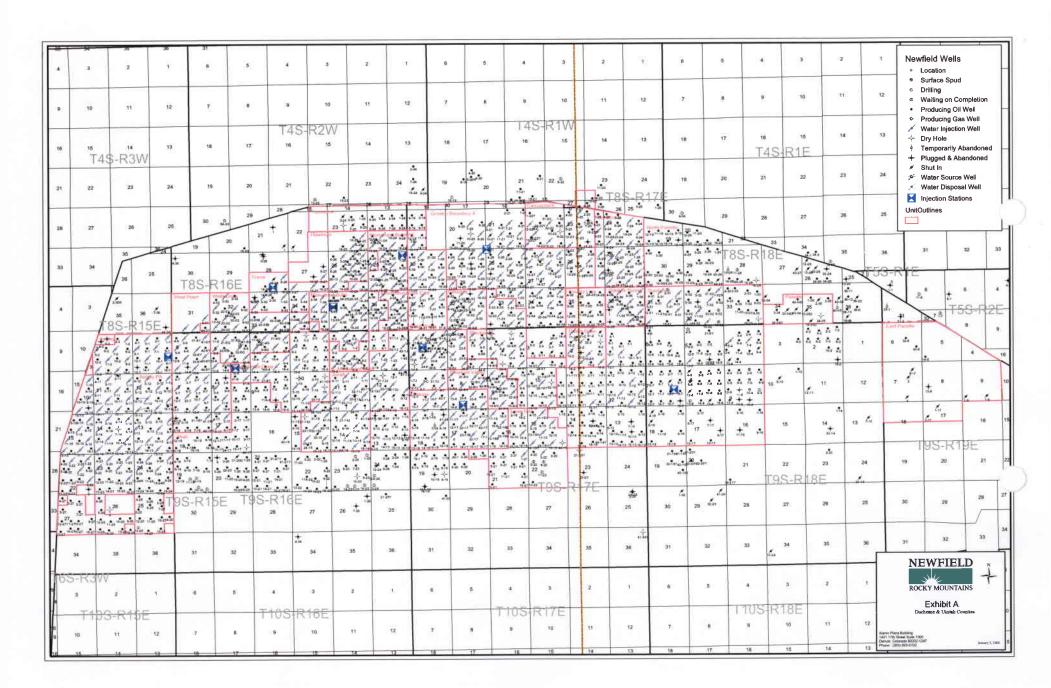
UTU-67549

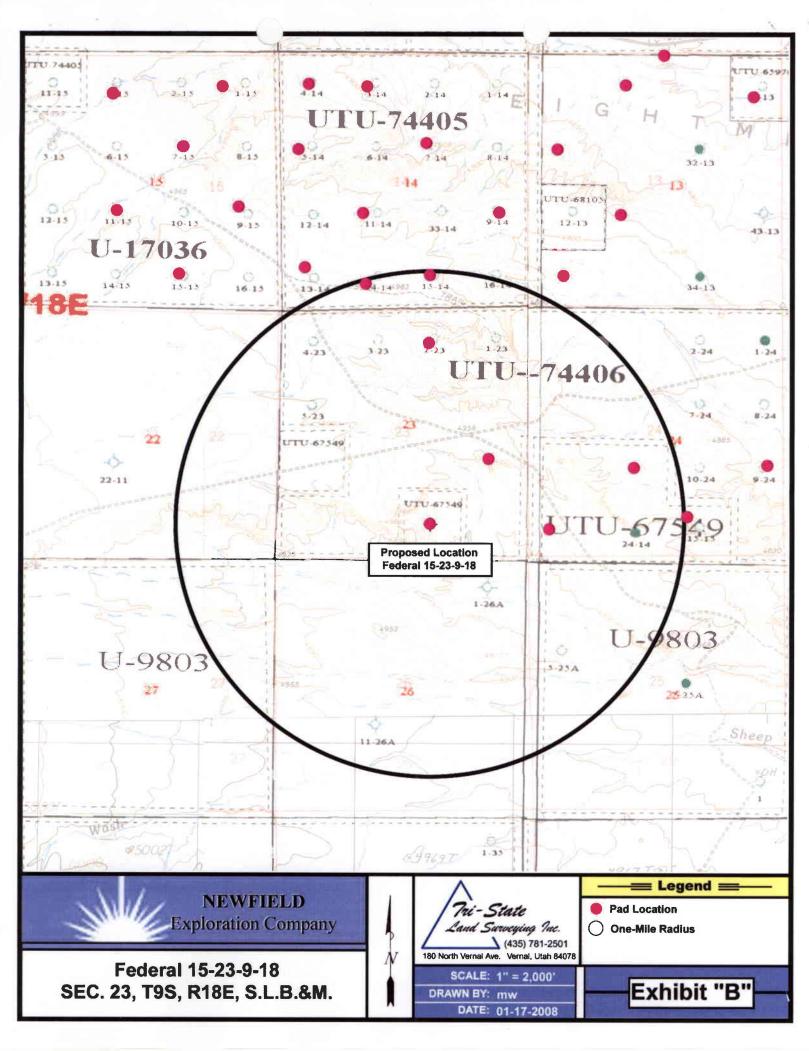
	Legend
Pumping Unit Separator Well Head 55 Gallons Methanol Separator	Emulsion Line
Gas Sales Meter Condens Tank 400 bl	tion











TYPICAL BLOWOUT PREVENTER 11" 10M BOP STACK

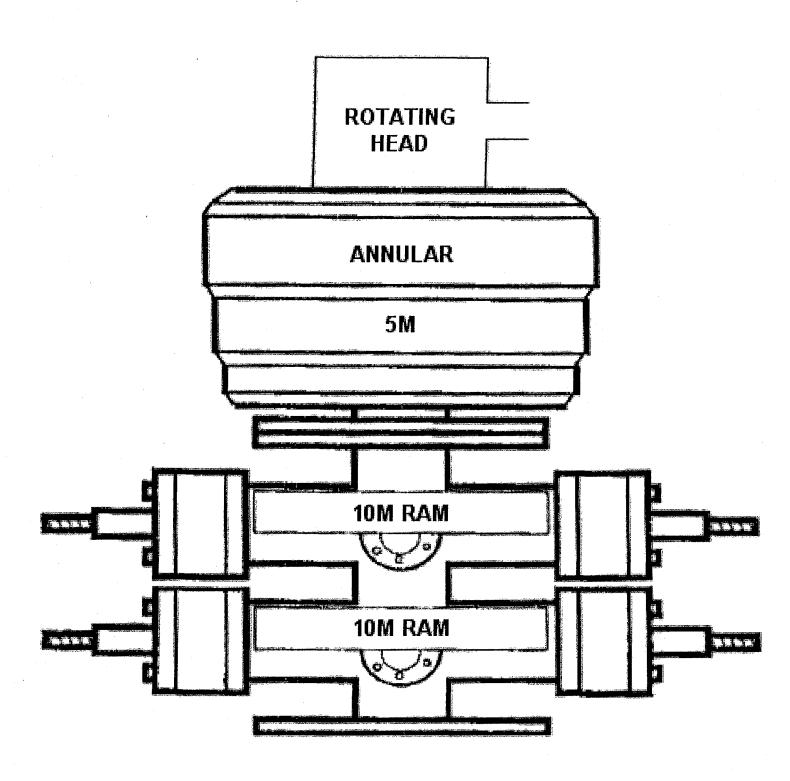


Exhibit 心

10F2

CULTURAL RESOURCE INVENTORY OF INLAND RESOURCE'S BLOCK SURVEY ON EIGHT MILE FLAT, TOWNSHIP 9 SOUTH, RANGE 18 EAST, SECTIONS 9, 10, 11, 14, 15 AND 23, UINTAH COUNTY, UTAH

by

Amanda Wilson and Keith R. Montgomery

Prepared For:

Bureau of Land Management Vernal Field Office

Prepared Under Contract With:

Inland Production Route 3 Box 3630 Myton, Utah 84052

Prepared By:

Montgomery Archaeological Consultants P.O. Box 147 Moab, Utah 84532

MOAC Report No. 03-156

April 2, 2004

United States Department of Interior (FLPMA)
Permit No. 03-UT-60122

State of Utah Antiquities Project (Survey) Permit No. U-04-MQ-0801b

INLAND RESOURCES, INC.

PALEONTOLOGICAL FIELD SURVEY OF PROPOSED PRODUCTION DEVELOPMENT AREAS, UINTAH COUNTY, UTAH

(Sections 9, 14, 15, 17, 21, 23 and north half section 20, Township 9 South, Range 18 East)

REPORT OF SURVEY

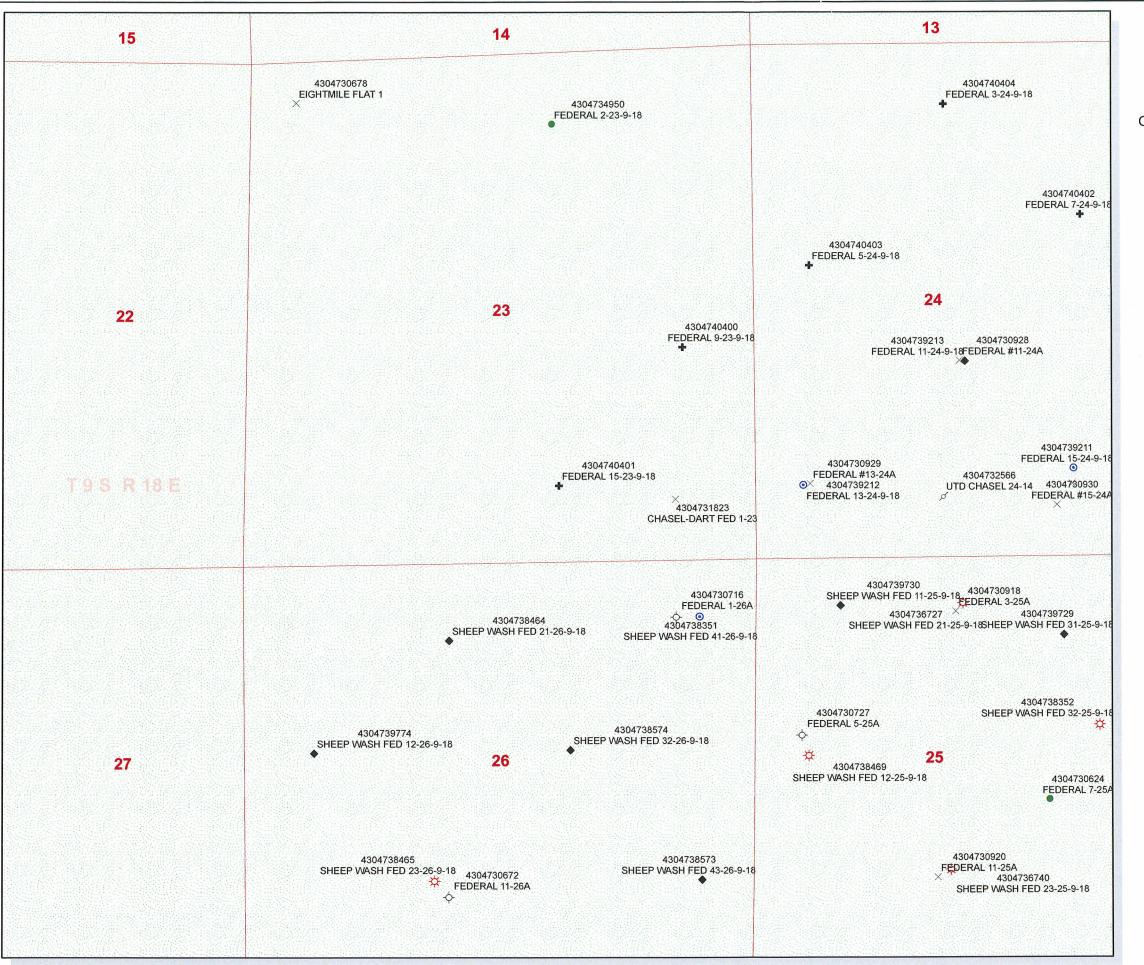
Prepared for:

Inland Resources, Inc.

Prepared by:

Wade E. Miller Consulting Paleontologist October 6, 2003

APD RECEIVED: 10/21/2008	API NO. ASSIG	NED: 43-047	-40401
WELL NAME: FEDERAL 15-23-9-18			
OPERATOR: NEWFIELD PRODUCTION (N2695)	PHONE NUMBER:	435-646-3723	1
CONTACT: MANDIE CROZIER			
PROPOSED LOCATION:	INSPECT LOCATN	BY: /	/
SWSE 23 090S 180E SURFACE: 0740 FSL 2049 FEL	Tech Review	Initials	Date
BOTTOM: 0740 FSL 2049 FEL	Engineering		
COUNTY: UINTAH LATITUDE: 40.01128 LONGITUDE: -109.8581	Geology		· · · · · · · · · · · · · · · · · · ·
UTM SURF EASTINGS: 597461 NORTHINGS: 4429424	Surface		· · · · · · · · · · · · · · · · · · ·
FIELD NAME: 8 MILE FLAT NORTH (590)	• •		
LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-67549 SURFACE OWNER: 1 - Federal	PROPOSED FORMAT		5
RECEIVED AND/OR REVIEWED:	LOCATION AND SITING:		
✓ Plat	R649-2-3.		
Bond: Fed[1] Ind[] Sta[] Fee[]			
(No. WYB000493)	Unit:		
	✓ R649-3-2. Gener		
<u>⊢</u> Oil Shale 190-5 (B) or 190-3 or 190-13	Siting: 460 From Qt	r/Qtr & 920' B	etween Wells
Water Permit	R649-3-3. Excep	tion	
(No. <u>43-7478</u>)	Drilling Unit		
RDCC Review (Y/N)	Board Cause No:		
(Date:)	Eff Date:		
Fee Surf Agreement (Y/N)	Siting:		
NH Intent to Commingle (Y/N)	R649-3-11. Dire	ctional Dril	.1
COMMENTS:			
STIPULATIONS: 1- Feder Ogene	oug()		
2 Specing The			

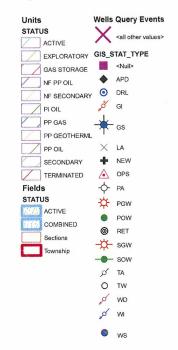


API Number: 4304740401
Well Name: FEDERAL 15-23-9-18
Township 09.0 S Range 18.0 E Section 23

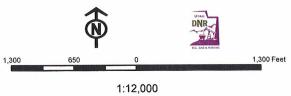
Meridian: SLBM

Operator: NEWFIELD PRODUCTION COMPANY

Map Prepared: Map Produced by Diana Mason











MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA Division Director

October 30, 2008

Newfield Production Company Rt. #3, Box 3630 Myton, UT 84052

Re:

Federal 15-23-9-18 Well, 740' FSL, 2049' FEL, SW SE, Sec. 23, T. 9 South, R. 18 East,

Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40401.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal Office



Operator:	Newfield Production Company			
Well Name & Number	Federal 15-23-9-18			
API Number:	43-047-40401 UTU-67549			
Location: SW SE	Sec. 23 T. 9 South R. 18 East			

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Form 3160-3 (August 2007)

5.	Lease Serial No.
	UTU-675

FORM APPROVED OMB No. 1004-0137 Expires July 31, 2010

UTU-67549

APPLICATION FOR PERMIT TO DRILL OR REENTER				6. If Indian, Allotee or Tribe Name NA		
	444	THE INTERIO F LAND MGM	* *	7 If Unit or CA Agr NA	eement, N	ame and No.
Ib. Type of Well: Oil Well Gas Well Other	∠ s	ingle Zone Multi	ple Zone	8. Lease Name and Federal 15-23		
2. Name of Operator Newfield Production Company				9. API Well No.	41A	DI
3a. Address Route 3 Box 3630, Myton UT 84052	3b. Phone N (435) 646-). (include area code) 3721		10. Field and Pool, or Eight Mile Fla	Explorator	
4. Location of Well (Report location clearly and in accordance with a	any State requiren	nents.*)		11. Sec., T. R. M. or I	3lk. and Su	rvey or Area
At surface SW/SE 740' FSL 2049' FEL				Sec. 23, T9S R18	E	
At proposed prod. zone						*
 Distance in miles and direction from nearest town or post office* Approximately 22.7 miles southeast of Myton, Utah 				12. County or Parish Uintah		13. State UT
15. Distance from proposed* Approx. 580' f/lse, NA f/unit property or lease line, ft (Also to nearest drig. unit line, if any)		cres in lease 0.00		g Unit dedicated to this O Acres	well	
 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 			BIA Bond No. on file VYB000493			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4909' GL	22. Approxi	mate date work will star	 	23. Estimated duration (7) Days from SP		g Release
	24. Atta	chments			:	
he following, completed in accordance with the requirements of Onsho	ore Oil and Gas	Order No.1, must be at	ttached to thi	s form:		
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office). 		Bond to cover the Item 20 above). Operator certific	he operation	ns unless covered by an	· ·	
5. Signature	1	(Printed/Typed)			Date	^ / ^

Title

alatory Technician

Lands & Mineral Resources

Nama (Printed/Typed)

VERNAL FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

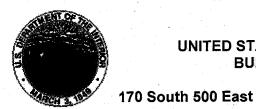
NOTICE OF APPROVAL

NOS 3/7-08 AFMSS# 08PP062/A

RECEIVED JUL 3 0 2009

DIV. OF OIL, GAS & MINING





UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

VERNAL, UT 84078

(435) 781-440



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:

Newfield Production Company

Location:

SWSE, Sec. 23, T9S, R18E

Well No:

Federal 15-23-9-18

Lease No:

UTU-67549

API No:

43-047-40401

Agreement:

N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist	Christine Cimiluca	(435) 781-4475	
NRS/Enviro Scientist	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist	Lori Ford	(435) 781-4406	
NRS/Enviro Scientist	David Gordon	(435) 781-4424	
NRS/Enviro Scientist	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist	Chuck Macdonald	435) 781-4441	(435) 828-7481
NRS/Enviro Scientist	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist	Holly Villa	(435) 781-4404	(435) 828-3544
		Fax: (435) 781-3420	

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

<u>N</u>	<u>01111</u>	CATION REQUIREMENTS
Location Construction	-	Forty-Eight (48) hours prior to construction of location and
(Notify Environmental Scientist)		access roads.
Location Completion	-	Prior to moving on the drilling rig.
(Notify Environmental Scientist)		
Spud Notice	# -	Twenty-Four (24) hours prior to spudding the well.
(Notify Petroleum Engineer)		
Casing String & Cementing	-	Twenty-Four (24) hours prior to running casing and cementing
(Notify Supv. Petroleum Tech.)		all casing strings.
BOP & Related Equipment Tests		Twenty-Four (24) hours prior to initiating pressure tests.
(Notify Supv. Petroleum Tech.)		
First Production Notice	-	Within Five (5) business days after new well begins or
(Notify Petroleum Engineer)		production resumes after well has been off production for more
		than ninety (90) days.

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

CONDITIONS OF APPROVAL:

Cultural sites: 42un3600, 42un3602, 42un3604, 42un3606, 42un3613, 42un1501 must be avoided with a minimum of 100 foot buffer. A monitor is required to flag prior to construction and remove flags after construction.

Mountain plover in the proposed area, a timing restriction during construction and drilling is required to minimize disturbance during nesting from May 1- June 15.

Monitor the construction of the access roads, well pad and pipelines by a qualified, permitted paleontologist. Report all mitigation-curation of vertebrates and other scientifically significant fossils that may be affected by the construction.

Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim/Final Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.

Interim Reclamation:

The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is dry and free of all trash and residual hydrocarbons it will be closed, it shall be re-contoured and the topsoil re-spread, and the area shall be seeded using a rangeland drill. Seeding depth as per AO, or seed distributor. If portions of the site are too steep (>40%), or rocky, that portion may be broadcast seeded. If broadcasting seed, the seed shall be walked into the soil with a dozer immediately after the seeding is completed, or covered by soil using a drag chain. Seeding shall occur in the fall (August 1st until snow or ground is frozen) with the following seed mix:

Seed mix:

Common name	Latin name	lbs/acre	Recommended seed planting depth
Forage Kochia	Kochia Prostrata	0.20	1/2"
Squirreltail grass	Elymus elymoides	3.0	1/4 - 1/2"
Siberian wheatgrass	Agropyron fragile	1.0	1/2"
Shadscale saltbush	Atriplex confertifolia	0.50	1/2"
Four-wing saltbush	Atriplex canescens	0.50	1/2"
Gardner's saltbush	Atriplex gardneri	0.50	1/2"
Scarlet globemallow	Sphaeralcea coccinea	0.10	1/8 - 1/4"

- All pounds are pure live seed.
- All seed and mulch will be certified weed free.
- Rates are set for drill seeding; double rate if broadcasting.
- Reseeding may be required if initial seeding is not successful.

Final reclamation:

Noxious and/or invasive weeds will be controlled along access roads, pipelines, well sites, and all other applicable facilities. Any noxious and/or invasive weeds outbreak, directly attributed to the activities of the Operator, will be the responsibility of the Operator to control. On BLM administered land, a Pesticide Use Proposal (PUP) must be submitted and approved prior to the application of herbicides, pesticides, or other possibly hazardous chemicals.

The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be re-contoured and the topsoil re-spread, and the area shall be seeded in the same manner as the location topsoil.

Once the location is plugged and abandoned, it shall be re-contoured to natural topology, topsoil shall be respread, and the entire location shall be seeded with a seed mix recommended by the AO (see above). Seed application will follow all guidelines in the interim seed mix bullet statement above, and in Green River reclamation guidelines. If reclamation seeding should take place using the broadcast method, the seed at a minimum will be walked into the soil with a dozer immediately after the seeding is completed.

Page 4 of 8 Well: Federal 15-23-9-16 3/27/2009

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

All requirments in Onshore Order #2 drilling operations for 10M BOPE shall be adhered to.

A 10M annular shall be used on the 10M BOP stack.

Electronic/mechanical mud monitoring equipment shall be required, from surface casing shoe to TD, which shall include as a minimum: pit volume totalizer (PVT); stroke counter; and flow sensor.

A formation integrity test shall be performed at the surface casing shoe.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the <u>top of cement</u> and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - o Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - O Date well was placed in a producing status (date of first production for which royalty will be paid).
 - o The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - o Unit agreement and/or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

Page 7 of 8 Well: Federal 15-23-9-16 3/27/2009

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior approval of
 the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
 approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
 of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

• Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH			FORM 9		
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEASE DESIGNATION AND SERIAL NUMBER UTU-67549		
SUNDRY NOTICES AND REPORTS ON WELLS			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
	sals to drill new wells, significantly deepen ex ugged wells, or to drill horizontal laterals. Use		7.UNIT or CA AGREEMENT NAME:		
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: FEDERAL 15-23-9-18		
2. NAME OF OPERATOR: NEWFIELD PRODUCTION COM	IPANY		9. API NUMBER: 43047404010000		
3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84	435 646-4825 Ext	PHONE NUMBER:	9. FIELD and POOL or WILDCAT: 8 MILE FLAT NORTH		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0740 FSL 2049 FEL	TO DANCE MEDITIVAN.		COUNTY: UINTAH		
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SWSE Section: 23	Township: 09.0S Range: 18.0E Meridian: S		STATE: UTAH		
11. CHE	CK APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPORT,	, OR OTHER DATA		
TYPE OF SUBMISSION		TYPE OF ACTION			
✓ NOTICE OF INTENT	☐ ACIDIZE ☐	ALTER CASING	CASING REPAIR		
Approximate date work will start: 10/30/2009	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME		
	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE		
SUBSEQUENT REPORT Date of Work Completion:	□ DEEPEN □ OPERATOR CHANGE	FRACTURE TREAT PLUG AND ABANDON	 □ NEW CONSTRUCTION □ PLUG BACK 		
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	PLUG BACK RECOMPLETE DIFFERENT FORMATION		
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON		
	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL		
DRILLING REPORT	☐ WATER SHUTOFF ☐	SI TA STATUS EXTENSION	✓ APD EXTENSION		
Report Date:	☐ WILDCAT WELL DETERMINATION ☐	OTHER	OTHER:		
12. DESCRIBE PROPOSED OR CO	DMPLETED OPERATIONS. Clearly show all pertin	ent details including dates, depths,	volumes, etc.		
Newfield red	questd to extend the permit to o	Irill for one year.	Amount of by the		
			Approved by the Utah Division of		
			Oil, Gas and Mining		
		_	0 1 15 2000		
		C	October 15, 2009		
		E	By: Dully III		
NAME (PLEASE PRINT) Mandie Crozier	PHONE NUMBER 435 646-4825	TITLE Regulatory Tech			
SIGNATURE N/A		DATE 10/15/2009			



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047404010000

API: 43047404010000 **Well Name:** FEDERAL 15-23-9-18

Location: 0740 FSL 2049 FEL QTR SWSE SEC 23 TWNP 090S RNG 180E MER S

Company Permit Issued to: NEWFIELD PRODUCTION COMPANY

Date Original Permit Issued: 10/30/2008

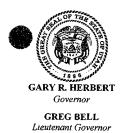
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

ire revision. Following is a checklist of some items related to the application, which should be verified.
 If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
 Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
• Has the approved source of water for drilling changed? 🔘 Yes 📵 No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? • Yes • No Utah Division of Oil, Gas and Mining
Polos 10/15/2000

Signature: Mandie Crozier **Date:** 10/15/2009

Title: Regulatory Tech Representing: NEWFIELD PRODUCTION COMPANY Date: October 15, 2009

Bv:



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 19, 2010

Mandie Crozier Newfield Production Company Rt 3 Box 3630 Myton, Utah 84052 43 047 40401 Federal 15-23-9-18 95 18E 23

Re:

APDs Rescinded for Newfield Production Company, Uintah County

Dear Ms. Crozier:

Enclosed find the list of APDs that are being rescinded per your request to Newfield Production Company. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective October 19, 2010.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc:

Well File

Bureau of Land Management, Vernal



Federal 9-23-9-18	43-047-40400
Federal 15-23-9-18	43-047-40401
Federal 7-24-9-18	43-047-40402
Federal 3-24-9-18	43-047-40404
Federal 1-24T-9-18	43-047-40405



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078
http://www.blm.gov/ut/st/en/fo/vernal.html



DEC 12, 2013

IN REPLY REFER TO: 3160 (UTG011)

Mandie Crozier Newfield Production Company Route 3, Box 3630 Myton, UT 84052 43 047 90401

Re:

Notice of Expiration

Well No. Federal 15-23-9-18 SWSE, Sec. 23, T9S, R18E Uintah County, Utah Lease No. UTU-67549 RECEIVED

DIV. OF OIL, GAS & MINING

Dear Ms. Crozier:

The Application for Permit to Drill (APD) for the above-referenced well was approved on July 20, 2009. No extension of the original APD was requested. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka Assistant Field Manager Lands & Mineral Resources

CC:

UDOGM

bcc:

Well File

I&E Asst.